

### **The Press of Atlantic City**

**April 7, 2009**

DANIEL WALSH     U.S. Rep. John Adler wants to crack down on salespeople perpetuating a particular type of scam targeting the elderly.

Adler, D-3rd, plans to introduce federal legislation giving states financial incentives to regulate the sale of annuities, insurance-like contracts providing regular payments to investors.

What has been happening, Adler says, is that people have been selling long-term annuities, spanning 20 or more years, to buyers in their 80s and 90s. The annuities are set up so that most of the payout comes at the end of the term, and most of the buyers do not live long enough to see the big payout at the end.

Most people caught by this scheme have dumped thousands of dollars into their investments, while others have put in their entire life savings, Adler said. As much as \$10 billion could be in play nationwide on these fraudulent annuities, Adler said.

"They're definitely going after people in their 80s, who are often happy to have a visitor, and by the time they leave, they have a signed contract," Adler said Tuesday after a teleconference with members of AARP New Jersey.

Adler plans to model his legislation after a state law he sponsored in the New Jersey Senate last year that targeted predatory salespeople. Like the state law, his federal law would require all states, which regulate the sale of annuities, to give people 10 days to cancel a contract after signing it.

His law also would provide federal funding to states that adopt strict guidelines for tracking and prosecuting fraudulent marketing and sales practices pertaining to annuities.

Sy Larson, AARP's New Jersey chapter president, called the New Jersey law "one of the strongest laws in the nation of its kind" and praised the move to extend that law to other states.

Adler said he plans to introduce the bill in the next several weeks, once he has obtained enough feedback from AARP and the insurance industries to do so.